TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

July 3, 2008

TO:

Internal File

THRU:

Jim Smith, Team Lead 5000/000/000

FROM:

SUBJECT:

Priscilla Burton, CPSSc, Environmental Scientist III & MARCHARD Phase II and III P Phase II and III Bond Release - Old Waste Rock, PacifiCorp,

Cottonwood/Wilberg Mine, Permit # C/015/0019, Task ID # 2964

SUMMARY (plagiarized from jsd2964.doc):

The Old Waste Rock Site is located approximately 2 miles from the Cottonwood/Wilberg Mine, along Highway 57. The BLM granted Right of Way (ROW) U-37642 to PacifiCorp in 1977. The 48.62 acre site was initially to be a truck loadout with storage but the BLM issued a modification to use this land for storage of underground development waste. Seven cells were excavated in 1983, surrounded with berms of stockpiled material to contain storm runoff from a 10-year, 24-hour event. The material in the berms also provided backfill and cover for each cell as reclamation was completed.

As each cell was backfilled and graded, the area was seeded with an approved seed mixture. Final backfilling and grading was completed in 1992-93 as cell seven reached its capacity. Since this final reclamation, no mining activity has occurred at the Cottonwood/Wilberg "old" waste rock site.

In 1997, PacifiCorp relinquished 1.08 acres for an access road to the Texaco #35-14 gas well: this was in the undisturbed area adjacent to and north of the rock and soil storage area. The total area disturbed by PacifiCorp is 15.62 acres. PacifiCorp submitted an application for Phase I bond release on 13.81 reclaimed acres on December 17, 1998; the unreclaimed 1.81 acres are used for rock and soil storage. The Division approved the Phase I bond release on July 22, 1999.

On November 2, 1999, PacifiCorp relinquished another 12.98 acres of the ROW to accommodate a utility corridor servicing Texaco's coal bed methane degasification well #34-80. This was mainly undisturbed acreage on the west side of State Highway 57. Current total

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acreage in UTU-37642 is 34.56 acres. This application is for Phase II and III bond release on the reclaimed 13.81 acres that have received Phase I bond release.

TECHNICAL ANALYSIS:

RECLAMATION PLAN

ADMINISTRATIVE DETAILS

Regulatory Reference: 30 CFR Sec. 800.40 (a) (2) and (b); R645-301-880.120.

Analysis:

The application for bond release meets the following administrative requirements:

- 1. It includes a notarized C1C2 form attesting to the fact that all information in the application is accurate, and includes a notarized statement certifying that all reclamation activities were accomplished in accordance with the Act and the approved reclamation plan (Attachment 1, signed by Kenneth S. Fleck, Geology and Environmental Affairs Manager).
- 2. It includes a copy of the public notice (Attachment 3) to be published in the Emery County Progress. The public notice states there is a total of 18.45 acres within the southern area of lease U-37642 of which 15.62 acres were disturbed and 13.81 acres are reclaimed and are included in the bond release application.
- 3. The application includes copies of the notification letters sent to local government officials and surface owners (Attachment 2).

A pre-bond release inspection on July 2, 2008 verified that the site is stable.

An Applicant Violator System check on May 30, 2007 led to several email discussions between Pam Grubaugh-Littig and Scott Childs concerning resolution of an AVS violation reported for affiliated corporations. An entity evaluation narrative dated June 23, 2008 indicates that 2 outstanding violations from 1983 (one to Alumbaugh coal Corp and one to Coal Junction Coal Co.) are linked to Energy West through Paul Leighton, an official with in PacifiCorp.

Communication with the OSM AVS office in Kentucky on July 2, 2008 confirms that the two audit violations on Pennsylvania permits linked to PacifiCorps should not affect Utah bond

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release as the requirements of R645-301-880.330 for reclamation according to the permit and the Act have been met. However the future permit eligibility of PacifiCorps (or its subsidiaries) may be affected by outstanding audit violations, in accordance with R645-301-112 and R645-301-113.

Findings:

The information provided meets the requirements of the bond release application.

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-240.

Analysis:

Energy West completed Grading of 13.81 acres at the Cottonwood Waste rock site in 1992-3. The Phase III bond release map provides dates of reclamation for each cell and illustrates the acreage relinquished from the lease as well as the undisturbed northern parcel.

"As Built" information is found Attachments 5 and 6. Phase I bond release for the 13.81 acres was granted July 22, 1999.

In 2005 and 2006, living cover, density, diversity and productivity of the reclaimed cells and berms exceeded that of the reference area (Attachment 8). Attachment 11 describes the productivity of the reclaimed site as 1,350 lbs/acre (exceeding the original forage production estimate of 700 lbs/ac). The reclaimed productivity is equivalent to a carrying capacity of 0.51 AMU/acre. The Permittee concludes that the site is capable of supporting both wildlife and grazing, which is the stated post mining land use.

Attachment 9 provides a RUSLE calculation demonstrating that sediment is not leaving the reclaimed site.

Findings:

The information meets the soil stability, productivity and post mining land use requirements for Phase II and Phase III bond release.

RECOMMENDATIONS:

The Phase II and Phase III bond release should be granted.

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